

City of Falls Church Pension Plans and OPEB Trust
CY 2019/2020 Plan Administrator Quarterly Operational Report
Period: May 8, 2020—September 3, 2020

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Executive Summary:

The past quarter continued to be extremely complex and busy largely due to the COVID-19 health emergency. The COVID-19 pandemics continues to impact global, US, VA and City of Falls Church economy and service delivery. The Virginia Governor Executive Orders for stay at home orders, business shut down as well as major operational changes for City governmental operations are still in affect but now at Phase 3 status. That said staff continue to administer the Pension Plans and OPEB Trust and serve participants albeit remotely and through new virtual methods.

Meaghan has now returned from family leave and as previously shared as welcomed her daughter, Lucy, to the family. We are both grateful for the administrative support by Andrea Farinelli, employee in the Treasurer's Office with an HR degree, who supported our participants and the Plan Administrator during this time.

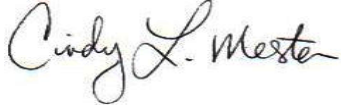
This quarterly report continues to provide updates on the operational actions executed by staff, in the administration of the Basic and Police Pension Plans and the OPEB Trust, in order for the Retirement Board to monitor the actions of and compliance by the Plan Administrator. The report provides an executive summary and information on administrative activities, training summary as well as pension administration expenses.

The major functions worked this quarter included:

- 1) Obtained Council approval for the IPS updates recommended by the Retirement Board at the May meeting
- 2) Monitored investment with AndCo monthly investment returns based on COVID-19 market volatility;
- 3) Completed legal review on post-retirement employment to formulate a recommendation for pension plan amendment to ensure financial sustainability and qualified tax status;
- 4) Provided all Basic/Police Pension Plan and OPEB annual valuation census data to Segal;
- 5) Researched proper documentation and tracking of valuation assumptions for Retirement Board consideration;
- 6) Collaborated with Segal for the 2020 Fiduciary Training;
- 7) Pursued additional Trustee virtual, affordable and safe training opportunities; and
- 8) Plan Administrator completed the 7 hour Investment in Today's Climate IFEBP conference;

This meeting's agenda format is again structured to implement the adopted 2020 Work Plan, such as the annual fee review, and follow up from the May 2020 meeting. Additionally, review of potential pension plan amendments will be presented for discussion.

Respectfully submitted,

A handwritten signature in black ink that reads "Cindy L. Mester". The signature is written in a cursive, flowing style.

Cindy L. Mester, Plan Administrator
Deputy City Manager/ Pension Plan Administrator

Cc: Meaghan DeCelle, HR Generalist

Appendix 1: Membership Administrative Activity Summary Chart

Activity Type		5/15/19- 9/11/19 count	9/12/19- 11/13/19 count	11/14/19- 2/12/20 count	2/13/20- 5/7/20 count	5/8/20- 9/3/20 count	estimated time per action (Hours)	current quarter estimated time
Buyback		0	0	0	1	0	1	0
	Police	0	0	0	0	0		
	City	0	0	0	0	0		
	NVCJA	0	0	0	1	0		
	Schools	0	0	0	0	0		
Deferred Retirement		4	0	0	0	2	5	10
	Police	2	0	0	0	1		
	City	1	0	0	0	1		
	NVCJA	1	0	0	0	0		
	Schools	0	0	0	0	0		
income projection (separate from Retirement)		24	18	4	6	5	3	15
	Police	3	1	2	1	3		
	City	17	16	2	4	1		
	NVCJA	3	1	0	1	1		
	Schools	1	0	0	0	0		
new enrollment		6	7	14	6	4	0.5	2
	Police	0	1	4	1	1		
	City	4	6	7	5	3		
	NVCJA	2	0	1	0	0		
	Schools	0	0	2	0	0		
retirement		6	6	3	2	3	8	24
	Police	1	2	1	0	0		
	City	4	2	1	2	1		
	NVCJA	1	1	1	0	0		
	Schools	0	1	0	0	2		
non-vested cash out		3	5	7	1	1	1	1
	Police	0	1	2	0	0		
	City	3	4	3	1	0		
	NVCJA	0	0	0	0	1		
	Schools	0	0	2	0	0		
terminated vested		0	2	1	2	6	4	24
	Police	0	0	0	0	0		
	City	0	2	1	2	1		
	NVCJA	0	0	0	0	0		
	Schools	0	0	0	0	5		
totals		43	38	29	18	21		76

Appendix 2: Year to Date Training Summary and Expenditures

FY 2020					
Event	Training Fees	Transportation	Lodging	Per Diem/other	Total Spent
IFEBP Annual Conference (1 attendee)	\$1,595.00	\$988.96	\$1,163.00	\$162.00	\$3,908.96
AAA Annual Meeting	\$820.00	\$23.20			\$843.20
Fiduciary Training by AndCo	Included in annual fee				\$ -
ICMA Webinar: OPEB Liabilities	\$149.00				\$149.00
IFEBP Annual Membership Dues				\$1,465.00	\$1,465.00
IFEBP Online Courses (1 attendee)	\$539.00				\$539.00
YTD Total					\$6,905.16
Initial Training Budget					\$12,000.00
Remaining for period					\$5,094.84

FY 2021					
Event	Training Fees	Transportation	Lodging	Per Diem/other	Total Spent
Fiduciary Training by Segal 9/10/2020	\$2,000.00				\$ 2,000.00
Investments in Today's Climate	\$495				\$ 495.00
<i>IFEBP Annual Conference (3 or 4 attendees)*</i>	<i>\$2,085 - \$2,780</i>	\$ -	\$ -	\$ -	\$ -
<i>IFEBP Annual Membership Dues*</i>				<i>\$1,500</i>	\$ -
					\$ -
					\$ -
YTD Total					\$2,495
Initial Training Budget 20/21					\$12,000.00
Remaining for period					\$9,505.00

**Anticipated spending in September 2020*

Earned Training Hours by Trustee for Current Terms

Connie Rydberg	Term: May 2018-April 2021
Term	
Requirement:	12 hours
2018-2019:	2.5
2019-2020:	13.25
2020-2021:	1
total complete:	16.75

Rick Campbell	Term: May 2019-April 2022
Term	
Requirement:	12 hours
2019-2020:	1
2020-2021:	1
2021-2022:	
total complete:	2

Charles Collier	Term: May 2019-April 2022
Term	
Requirement:	12 hours
2019-2020:	1
2020-2021:	1
2021-2022:	
total complete:	2

Marshall Jarrett	Term: May 2018-April 2021
Term	
Requirement:	12 hours
2018-2019:	19
2019-2020:	1
2020-2021:	1
total complete:	21

Jason Widstrom	Term: May 2018-April 2021
Term	
Requirement:	12 hours
2018-2019:	23.75
2019-2020:	1
2020-2021:	1
total complete:	24.75

Larry Little	Term: May 2019-April 2022
Term	
Requirement:	12 hours
2019-2020:	1
2020-2021:	1
2021-2022:	
total complete:	2

Ryan Davis	Term: May 2018-April 2021
Term	
Requirement:	12 hours
2018-2019:	2.5
2019-2020:	15
2020-2021:	1
total complete:	18.5

2020-2021 Training Hours Summary	Count of hours
Connie Rydberg	1
Segal Consultants Fiduciary Training	1
Charles Collier	1
Segal Consultants Fiduciary Training	1
Larry Little	1
Segal Consultants Fiduciary Training	1
Jason Widstrom	1
Segal Consultants Fiduciary Training	1
Ryan Davis	1
Segal Consultants Fiduciary Training	1
Rick Campbell	1
Segal Consultants Fiduciary Training	1
Marshall Jarrett	1
Segal Consultants Fiduciary Training	1
Cindy Mester	8
Investments in Today's Climate and Beyond (virtual)	7
Segal Consultants Fiduciary Training	1
Meaghan DeCelle	1
Segal Consultants Fiduciary Training	1
Kiran Bawa	1
Segal Consultants Fiduciary Training	1
Grand Total	17

Appendix 3: Invoiced Pension Expenses Fiscal YTD**Pension Plan (Basic & Police) and OPEB Administration Expenses**

FY 2020					
Vendor	FY20 July-Sept	FY20 Oct-Dec	FY20 Jan-Mar	FY20 Apr-Jun	YTD Total
<i>Cheiron (transition)</i>	\$4,686.25	\$ -	\$ -	\$ -	\$4,686.25
Williams Mullen	\$ -	\$ -	\$ -	\$25,973.00**	\$25,973.00
Segal Consulting	\$14,625.00	\$9,625.00	\$44,625.00*	\$9,625.00	\$78,500.00
AndCo	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$75,000.00
Northern Trust	\$2,828.57	\$2,880.20	\$2,888.13	\$2,298.65	\$10,895.55
MFS	\$20,720.59	\$22,145.39	\$20,284.03	\$20,590.26	\$83,740.27
Summit Creek	\$28,810.21	\$28,596.92	\$25,640.98	\$19,537.10	102,585.21
<i>SKBA (closed)</i>	\$40,724.99	\$6,380.25	\$ -	\$ -	\$47,105.24
Lazard	\$19,992.49	\$20,497.75	\$19,259.00	\$18,479.17	\$78,228.41
Securian	\$ -	\$ -	\$31,604.16	\$ -	\$31,604.16
Brown, Edwards and Co. (Auditors)	\$ -	\$5,600.00	\$ -	\$ -	\$5,600.00
CFC Admin Fee			\$20,000.00		\$20,000.00
YTD Fees Total	\$151,138.10	\$114,475.51	\$183,051.30	\$106,633.68	\$555,298.59
YTD Training Total	\$3,397.80	\$2,819.36	\$688.00		\$6,905.16
Less Recaptured Commission (Abel Noser)	\$(638.50)	\$(1,852.40)	\$(140.40)	\$(345.80)	\$(2,977.10)

Fees deducted directly from fund:

US Bank, Principle Real Estate, Clarion Real Estate, JPM Equity Inc, Vanguard Equity Inc.

*Contract amount for Segal Experience Study and Asset Valuation is \$35,000; quarterly fees = \$9625

** Final invoice of \$13,388 still pending. Expected to clear in Sept 2020.

FY 2021					
Vendor	FY21 July-Sept	FY21 Oct-Dec	FY21 Jan-Mar	FY21 Apr-Jun	YTD Total
Williams Mullen					\$ -
Segal Consulting	\$9,625.00				\$9,625.00
AndCo	\$18,750.00				\$18,750.00
Northern Trust					\$ -
MFS					\$ -
Summit Creek					\$ -
Lazard					\$ -
Securian					\$ -
Brown, Edwards and Co. (Auditors)					\$ -
CFC Admin Fee					\$ -
YTD Fees Total	\$28,375.00	\$ -	\$ -	\$ -	\$28,375.00
YTD Training Total	\$2,495				\$2,495
Less Recaptured Commission (Abel Noser)					\$ -

Fees deducted directly from fund:

US Bank, Principle Real Estate, Clarion Real Estate, JPM Equity Inc, Vanguard Equity Inc